



FISCAL MEMORANDUM

SB 637 - HB 1367

February 26, 2023

SUMMARY OF BILL AS AMENDED (004503): Adds additional companies to the statewide opioid settlement agreement for which the Attorney General and Reporter (AG) has the authority to release pending or future claims for the activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids, or related activities.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Other Fiscal Impact - In the event that the state enters into and reaches a settlement with any of the entities outlined in this legislation, there will be an increase in foregone state revenue and a corresponding increase in local revenue. The precise amount of any such settlement cannot be reasonably determined.

Assumptions for the bill as amended:

- The Attorney General and Reporter can accomplish the requirements of the proposed legislation within existing resources; therefore, any fiscal impact is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 33-11-103(p) and Public Chapter 491 (2021), funds obtained pursuant to a statewide opioid settlement agreement are required to be distributed pursuant to the agreement and any relevant provisions of a state-subdivision opioid abatement agreement. Funds dedicated to abatement and remediation are required to be paid into the Opioid Abatement Fund (OAF).
- Any increase in state revenue dedicated to abatement as a result of a statewide opioid settlement agreement will be paid into the OAF for prospective opioid abatement and remediation and expenses associated with administering the Tennessee Opioid Abatement Council.
- Funds in the OAF do not revert to the General Fund.
- The extent and timing of any funds obtained pursuant to a statewide opioid settlement agreement is unknown and cannot be determined.
- The Attorney General and Reporter is currently seeking a multi-state settlement against McKesson Corporation, Cardinal Health, AmerisourceBergen Corporation, and Johnson & Johnson. Such settlement seeks up to \$21,000,000,000 in damages.

- The OAF had a balance of \$103,980,250 on December 31, 2022.
- The precise amount that may actually be settled, the share that Tennessee will receive, and the exact payout structure have not yet been determined; therefore, the precise impact, if any, cannot be reasonably determined.
- In the event that the state enters into and reaches a settlement with any of the additional entities outlined in this legislation, there will be an increase in foregone state revenue and a corresponding increase in local revenue.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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